S420-2

MINNESOTA CORPORATION INCOME TAX

MINNESOTA CORPORATION INCOME TAX RETURNS FILED DURING CALENDAR YEAR 1986

INCOME TAX BULLETIN NO. 67

COMMISSIONER OF REVENUE
ST PAUL, MINNESOTA

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1985 Minnesota Corporation Income Tax, Form M-4

Minnesota Department of Revenue
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CORPORATION AND BANK EXCISE TAX
SUMMARY OF FILING REQUIREMENTS AND EXPLANATION OF TERMS

The corporation statistics presented in this bulletin are tabulated from all current-year Minnesota corporation and bank excise tax returns filed during calendar year 1986. A corporation return is due two and ahalf months after the close of its fiscal year, although a seven month extension may be obtained. Primarily 1985 returns were filed in calendar year 1986, however, some returns included are for tax years beginning in 1984. Every corporation which transacted business in Minnesota was required to file a return although no minimum tax was required.

The following is an explanation of terms used:

Types of Returns-For the tables in this bulletin, corporation and bank excise tax returns have been categorized in two ways:

> **Tax vs. No-tax returns** - Tax returns are those from corporations which paid some amount of tax. No-tax returns are those from corporations which incurred no tax liability.
>
> **Multi-state vs. 100% Minnesota returns** - Multi-state returns are from corporations which conducted only a portion of their business in Minnesota. This group includes both those whose main offices are in Minnesota and those headquartered elsewhere. 100% Minnesota returns are from corporations which conducted all of their business within the state. In the case of unitary businesses, a corportion was considered multi-state if any member of its unitary group conducted business outside Minnesota. Returns from unitary businesses in which all members of the unitary group conducted 100% of their business in Minnesota were considered 100% Minnesota returns.

Number of Returns - This includes all returns timely filed during the calendar year, excluding any amended returns. If a corporation filed two returns during the year because of extensions or a change in accounting period, both returns were included in the statistics.

Total Net Income - Total net income is a corporation's total income after subtracting business deductions such as cost of goods sold, taxes, interest paid and depreciation. The total net income of a multi-state corporation reflected its operations both in and outside Minnesota. For unitary corporations, total net income includes income from all members of the unitary group. Because each member reports total income for the entire group, this amount is overstated in many of the tables presented in this bulletin.

Minnesota Net Income - Minnesota net income was the same as total net income for a nonunitary corporation which conducted all of its business within Minnesota. For a multi-state corporation, Minnesota net income was that portion of total net income which it allocated to Minnesota. For a unitary corporation, Minnesota net income was the Minnesota portion of the unitary group's combined net income allocated to the corporation filing the return.

Minnesota Taxable Income - Minnesota taxable income was the balance subject to tax after the dividend received deduction and the contributions deduction were subtracted from Minnesota net income.

Tax Liability - The corporation and bank excise tax rate effective for the 1985 tax year was 6% on the first $25,000 apportioned to Minnesota and 12% on the balance. After applying these rates to Minnesota taxable income, the research and development and small business investment credits were subtracted to arrive at the amount of tax liability. In 1986, 376 corporations claimed research and development credits totaling $16,574,342. Small business investment credits were $283,429.

CORPORATION AND BANK EXCISE TAX
SUMMARY ANALYSIS OF RETURNS FILED IN 1986

The number of Minnesota corporation and bank excise tax returns filed during calendar year 1986 increased 2% over those filed in 1985, from 52,266 filed in 1985 to 53,226 in 1986. Approximately 68% of the 1986 filers conducted all of their business in Minnesota.

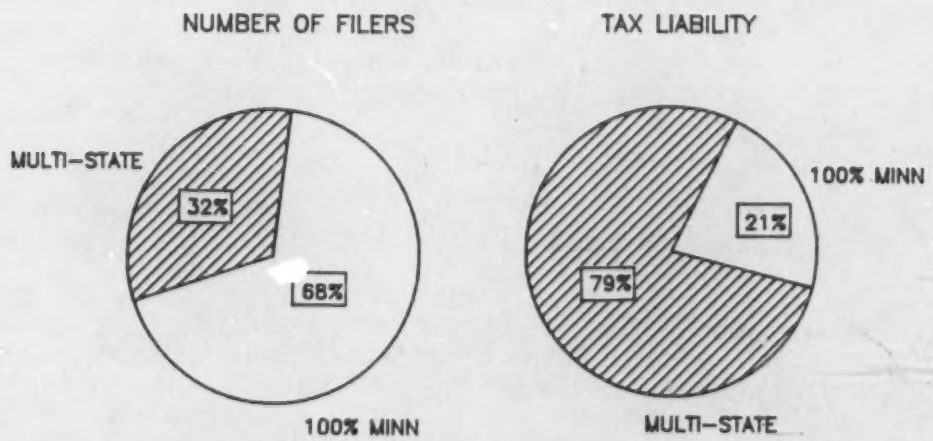
Total 1986 tax liability for corporations and banks decreased by 5% from 1985 levels. The average liability for these returns was $6,312 compared with $6,798 for 1985.

1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
SUMMARY STATISTICS BY TYPE OF RETURN

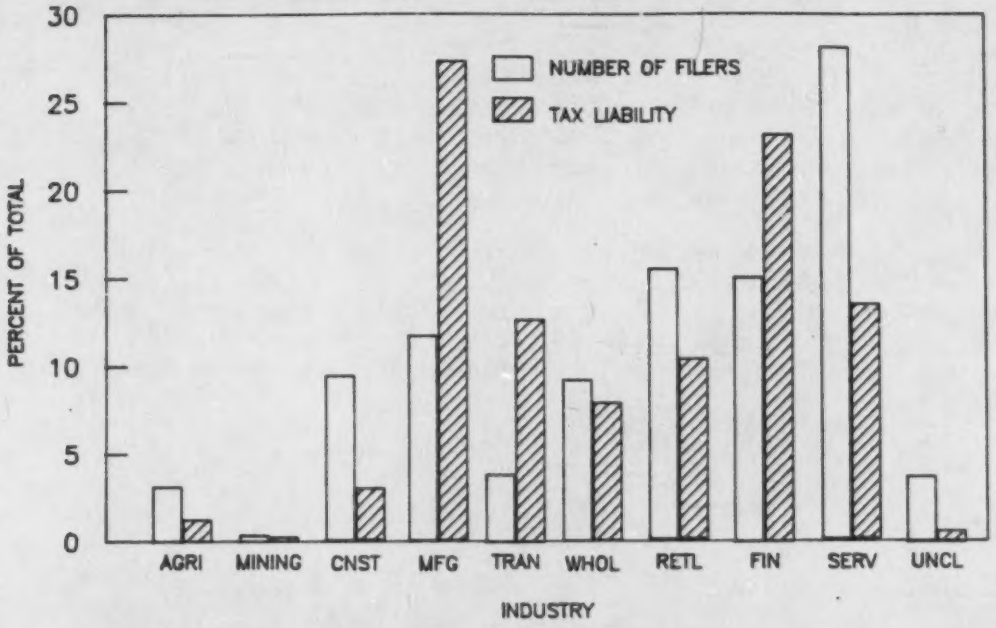
1986 RETURNS	NUMBER OF RETURNS	% OF TOTAL	TAX LIABILITY	% OF TOTAL	AVERAGE TAX
100% MINNESOTA RETURNS					
TAX	17,772	33.4%	$72,231,997	21.5%	$4,064
NO-TAX	18,591	34.9	0	.0	0
TOTAL	36,363	68.3	72,231,997	21.5	1,986
MULTI-STATE RETURNS					
TAX	7,764	14.6	263,742,752	78.5	33,970
NO-TAX	9,099	17.1	0	.0	0
TOTAL	16,863	31.7	263,742,752	78.5	15,640
ALL RETURNS					
TAX	25,536	48.0	335,974,750	100.0	13,157
NO-TAX	27,690	52.0	0	.0	0
TOTAL	53,226	100.0	335,974,750	100.0	6,312

Multi-state corporations accounted for over 78% of the reported liability of 1986 filers, while less than 32% of the total returns were filed by these corporations. The average liability of multi-state filers was almost eight times the average liability of corporations conducting all of their business in Minnesota.

MULTI–STATE vs. 100% MINNESOTA CORPORATIONS



NUMBER OF FILERS AND TAX LIABILITY
Percent of Total by Industry



Manufacturing firms paid 27% of the tax liability in 1986 but they accounted for less than 12% of the total number of returns filed. Transportation, communication and utility firms paid the highest average tax of $20,561, accounting for almost 13% of the tax liability but only 4% of all returns filed. Corporations involved in the construction industry paid the lowest average tax of $2,003.

1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
SUMMARY STATISTICS BY INDUSTRY

MAJOR INDUSTRY GROUP	NUMBER OF RETURNS	% OF TOTAL	TAX LIABILITY	% OF TOTAL	AVERAGE TAX
AGRICULTURE	1,677	3.2%	$4,488,475	1.3%	$2,676
MINING	189	.4	1,060,601	.3	5,612
CONSTRUCTION	5,028	9.4	10,069,113	3.0	2,003
MANUFACTURING	6,238	11.7	91,761,709	27.3	14,710
TRANS., COMM. & UTIL.	2,068	3.9	42,519,387	12.7	20,561
WHOLESALE TRADE	4,875	9.2	26,404,336	7.9	5,416
RETAIL TRADE	8,181	15.4	34,556,583	10.3	4,224
FIN., INS. & REAL EST.	8,014	15.1	77,826,607	23.2	9,711
SERVICES	14,912	28.0	45,086,157	13.4	3,023
UNCLASSIFIED	2,044	3.8	2,201,781	.7	1,077
TOTAL	53,226	100.0	335,974,750	100.0	6,312

Unitary Businesses

In 1981, the Minnesota Legislature amended the state's corporation income tax laws to provide for taxation of related corporations under the combined income (unitary) method, effective for tax years beginning after June 30, 1981.

A group of businesses are considered unitary if they are related through common ownership and the trade or business activities of each of the corporations are of mutual benefit to, dependent upon, or contribute to one another, individually or as a group. A business is presumed to be unitary whenever there is unity of ownership, operation, and use.

In 1986, there were 7,191 corporations which filed unitary returns. As can be seen in the table below, unitary filers accounted for only 13% of all returns, but 58% of the liability. Their average tax was $27,144 compared with $3,058 for nonunitary filers. The number of corporations filing unitary returns in 1986 increased 7% over the 6,717 corporations which filed unitary returns in 1985. The total tax paid by unitary filers decreased 4%, from $203.7 million in 1985 to $195.2 million in 1986.

1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
SUMMARY STATISTICS BY UNITARY/NONUNITARY RETURN

1986 RETURNS	NUMBER OF RETURNS	% OF TOTAL	TAX LIABILITY	% OF TOTAL	AVERAGE TAX
UNITARY RETURNS	7,191	13.5%	$195,192,683	58.1%	$27,144
NONUNITARY RETURNS	46,035	86.5	140,782,147	41.9	3,058
TOTAL	53,226	100.0	335,974,750	100.0	6,312

Unitary corporations are found in every major industry, although most are in manufacturing, finance, and services. The majority of the tax from unitary filers comes from these industries and from the transportation, communication, and utilities category.

1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
UNITARY CORPORATIONS
SUMMARY STATISTICS BY INDUSTRY

MAJOR INDUSTRY GROUP	NUMBER OF RETURNS	% OF TOTAL	TAX LIABILITY	% OF TOTAL	AVERAGE TAX
AGRICULTURE	45	0.6%	$1,046,723	0.5%	$23,261
MINING	46	.6	626,754	.3	13,625
CONSTRUCTION	345	4.8	2,061,420	1.1	5,975
MANUFACTURING	1,322	18.4	54,083,603	27.7	40,910
TRANS., COMM. & UTIL.	422	5.9	35,069,203	18.0	83,102
WHOLESALE TRADE	756	10.5	12,087,401	6.2	15,989
RETAIL TRADE	767	10.7	11,222,484	5.7	14,632
FIN., INS. & REAL EST.	1,767	24.6	53,374,424	27.3	30,206
SERVICES	1,441	20.0	24,618,755	12.6	17,084
UNCLASSIFIED	280	3.9	1,001,916	.5	3,578
TOTAL	7,191	100.0	195,192,683	100.0	27,144

Multi-State Corporations

Multi-state corporations must apportion their total income to Minnesota. The most common method used is a three-factor formula based on the percentage of the corporation's property, payroll, and sales associated with Minnesota. The corporation calculates the arithmetic average of the three factors and a weighted average (70% sales, 15% property, 15% payroll) and uses the smaller of the two percentages.

If the three-factor formula des not properly reflect tax liability, the corporation may either apportion income on the basis of gross sales or use separate accounting. Insurance companies apportion based on the ratio of gross premiums collected in Minnesota to all gross premiums.

The following table shows the distribution of multi-state corporations by apportionment factor. Nearly 43% had a factor of less than one percent. These businesses accounted for 16% of the total tax liability of multi-state corporations. Filers with apportionment factors of fifty percent or more accounted for 24% of the tax liability of multi-state filers.

1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
MULTI-STATE RETURNS BY APPORTIONMENT FACTOR

APPORTIONMENT FACTOR	NUMBER OF RETURNS	TOTAL NET INCOME (000)	MINNESOTA PROPERTY (000)	MINNESOTA PAYROLL (000)	MINNESOTA SALES (000)	TAX LIABILITY
.0001 - .9999%	7,181	$358,516,507	$4,978,949	$1,170,348	$13,138,552	$42,168,843
1.0000 - 1.9999	1,261	23,499,329	3,517,482	1,047,715	7,198,964	27,668,697
2.0000 - 2.9999	654	8,966,907	3,857,636	865,294	4,309,071	14,416,780
3.0000 - 3.9999	417	2,149,736	1,743,164	397,314	2,807,363	5,942,119
4.0000 - 4.9999	303	1,109,085	1,312,458	328,609	1,701,954	3,916,040
5.0000 - 9.9999	931	2,748,469	6,402,284	2,264,545	4,888,136	15,012,231
10.0000 - 19.9999	894	3,756,425	9,365,010	2,527,924	7,068,807	45,016,537
20.0000 - 29.9999	642	980,239	4,821,019	1,625,455	4,151,604	22,672,662
30.0000 - 39.9999	944	485,277	2,590,308	1,159,936	2,563,401	16,663,183
40.0000 - 49.9999	526	197,078	1,458,977	540,919	1,990,291	8,105,364
50.0000 - 59.9999	464	109,835	1,153,204	433,333	1,412,425	5,978,509
60.0000 - 69.9999	471	128,008	1,257,890	395,373	2,218,176	6,366,601
70.0000 - 79.9999	429	296,542	4,866,662	631,119	4,163,364	22,377,986
80.0000 - 89.9999	624	74,127	962,292	419,463	2,524,004	6,335,635
90.0000 - 99.9999	1,122	262,566	2,599,357	795,609	5,483,383	21,101,566
TOTAL	16,863	403,280,129	50,086,691	14,602,957	65,611,495	263,742,752

STATISTICAL APPENDIX

TABLE 1
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY SIZE OF MINNESOTA TAXABLE INCOME

ALL RETURNS

MINNESOTA TAXABLE INCOME	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
0	27,850	$93,921,187,260	$45,499,585	$0	$0
$ 1 - 4,999	7,384	28,868,636,731	14,913,805	13,852,951	925,261
5,000 - 9,999	3,274	10,009,190,855	24,802,455	23,917,077	1,581,044
10,000 - 19,999	3,925	18,686,906,611	58,709,340	56,726,442	3,805,226
20,000 - 29,999	2,556	15,243,349,738	64,371,437	63,043,717	4,385,783
30,000 - 39,999	1,578	17,321,473,033	56,828,937	54,583,651	4,456,976
40,000 - 49,999	1,183	12,202,764,367	54,678,751	53,098,380	4,794,454
50,000 - 74,999	1,781	28,336,588,291	111,718,585	108,494,415	10,538,916
75,000 - 99,999	935	6,464,726,686	82,375,746	80,677,335	8,271,860
100,000 - 149,999	1,000	13,528,043,337	123,722,912	121,447,941	12,880,243
150,000 - 249,999	863	16,470,695,773	176,395,769	165,379,307	17,501,569
250,000 - 499,999	774	30,499,167,049	282,777,586	273,479,237	29,869,854
500,000 - 999,999	472	32,661,872,508	347,229,658	333,053,171	36,031,103
1,000,000 AND OVER	451	82,804,391,163	2,089,993,066	1,921,159,662	200,933,259
TOTAL	53,226	406,218,995,402	3,527,217,552	3,268,913,286	335,974,750

TABLE 2
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY SIZE OF MINNESOTA TAXABLE INCOME

TAX RETURNS

MINNESOTA TAXABLE INCOME	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
$ 1 - 4,999	7,181	$27,710,068,299	$14,780,030	$13,700,812	$925,261
5,000 - 9,999	3,224	9,971,061,430	24,486,696	23,562,109	1,581,044
10,000 - 19,999	3,866	18,529,313,752	57,980,479	55,852,610	3,805,226
20,000 - 29,999	2,518	15,008,074,634	63,604,023	62,117,915	4,385,783
30,000 - 39,999	1,551	17,273,043,482	55,226,643	53,642,750	4,456,976
40,000 - 49,999	1,163	12,118,805,984	53,971,449	52,220,143	4,794,454
50,000 - 74,999	1,742	27,927,076,679	109,723,128	106,040,524	10,538,916
75,000 - 99,999	910	6,302,082,156	80,483,359	78,442,471	8,271,860
100,000 - 149,999	968	13,240,378,635	120,496,731	117,507,677	12,880,243
150,000 - 249,999	812	15,641,050,488	160,864,928	155,155,337	17,501,569
250,000 - 499,999	743	30,074,524,112	273,435,314	262,709,111	29,869,854
500,000 - 999,999	438	31,613,539,621	325,815,353	309,069,166	36,031,103
1,000,000 AND OVER	420	80,038,744,770	2,000,768,831	1,821,053,909	200,933,259
TOTAL	25,536	385,447,763,954	3,341,636,964	3,111,074,534	335,974,750

TABLE 3
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY SIZE OF MINNESOTA TAXABLE INCOME

NO-TAX RETURNS

MINNESOTA TAXABLE INCOME	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
0	27,850	$93,921,187,260	$45,499,585	$0	$0
$ 1 - 4,999	203	358,568,432	133,775	152,139	0
5,000 - 9,999	50	38,129,425	315,759	354,968	0
10,000 - 19,999	59	157,592,859	728,861	873,832	0
20,000 - 29,999	38	235,275,104	767,414	925,802	0
30,000 - 39,999	27	48,429,551	802,294	940,901	0
40,000 - 49,999	20	83,958,383	787,302	878,237	0
50,000 - 74,999	34	409,511,612	1,995,457	2,453,891	0
75,000 - 99,999	25	162,644,538	1,892,387	2,234,864	0
100,000 - 149,999	32	287,664,702	3,226,181	3,940,264	0
150,000 - 249,999	51	829,645,373	9,530,841	10,223,970	0
250,000 - 499,999	31	424,642,937	9,342,272	10,770,126	0
500,000 - 999,999	34	1,048,332,887	21,414,305	23,984,005	0
1,000,000 AND OVER	31	2,765,646,393	89,224,235	100,105,753	0
TOTAL	27,690	100,771,229,448	185,580,588	157,838,752	0

TABLE 4
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY SIZE OF MINNESOTA TAXABLE INCOME

MULTI-STATE RETURNS

MINNESOTA TAXABLE INCOME	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
$ 0	8,587	$93,676,339,336	$15,596,106	$0	$0
$ 1 - 4,999	1,865	27,923,969,032	3,348,466	3,139,041	276,879
5,000 - 9,999	753	9,928,221,845	5,806,150	5,511,944	470,005
10,000 - 19,999	924	18,541,561,157	14,485,115	13,625,118	1,208,356
20,000 - 29,999	683	15,145,938,406	15,494,267	14,973,305	1,366,827
30,000 - 39,999	442	17,275,562,515	16,243,861	15,303,392	1,451,574
40,000 - 49,999	345	12,154,909,598	15,904,593	15,412,096	1,528,258
50,000 - 74,999	597	28,033,098,595	37,231,519	36,575,751	3,682,062
75,000 - 99,999	383	6,402,537,105	34,199,898	33,204,418	3,415,880
100,000 - 149,999	504	13,357,467,795	62,809,986	61,433,154	6,465,976
150,000 - 249,999	573	16,397,618,020	113,780,413	110,408,716	11,363,919
250,000 - 499,999	534	29,902,520,479	195,706,484	188,601,806	20,049,828
500,000 - 999,999	360	32,145,687,501	269,493,657	256,307,325	27,010,783
1,000,000 AND OVER	393	82,394,697,968	1,958,787,819	1,791,147,612	185,453,205
TOTAL	16,863	403,280,129,352	2,758,887,454	2,545,642,878	263,742,752

TABLE 5
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY SIZE OF MINNESOTA TAXABLE INCOME

100% MINNESOTA RETURNS

MINNESOTA TAXABLE INCOME	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
$ 0	18,463	$244,847,924	$29,903,399	$0	$0
$ 1 - 4,999	5,519	144,667,699	11,565,339	10,713,918	648,382
5,000 - 9,999	2,521	80,969,010	18,996,305	18,405,133	1,111,038
10,000 - 19,999	3,001	145,345,454	44,224,225	43,101,324	2,596,870
20,000 - 29,999	1,953	97,411,332	48,877,170	48,078,412	3,019,756
30,000 - 39,999	1,136	45,910,518	39,785,076	39,280,259	3,005,402
40,000 - 49,999	838	47,854,769	38,774,158	37,686,284	3,266,196
50,000 - 74,999	1,184	303,489,696	74,487,066	71,918,664	6,856,854
75,000 - 99,999	552	62,189,581	48,175,848	47,472,917	4,855,181
100,000 - 149,999	496	170,575,542	60,913,006	60,014,787	6,414,266
150,000 - 249,999	290	73,077,753	56,615,356	54,970,591	6,137,650
250,000 - 499,999	240	596,646,570	87,071,102	84,878,231	9,820,026
500,000 - 999,999	112	516,185,007	77,736,001	76,745,846	9,020,321
1,000,000 AND OVER	58	409,693,195	131,206,047	130,012,050	15,480,055
TOTAL	36,363	2,938,864,050	768,330,098	723,270,408	72,231,997

TABLE 6
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY MAJOR INDUSTRY GROUP

ALL RETURNS

MAJOR INDUSTRY GROUP	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
AGRICULTURE	1,677	$1,092,474,138	$46,585,903	$45,316,835	$4,488,475
MINING	189	662,944,121	13,777,347	13,446,145	1,060,601
CONSTRUCTION	5,028	967,028,227	104,053,714	100,440,641	10,069,113
MANUFACTURING	6,238	117,915,307,140	960,545,773	866,789,185	91,761,709
TRANS., COMM. & UTIL.	2,068	26,660,568,663	416,991,905	361,805,158	42,519,387
WHOLESALE TRADE	4,875	16,243,031,786	247,346,025	239,562,025	26,404,336
RETAIL TRADE	8,181	45,452,900,518	336,627,621	318,551,200	34,356,583
FIN., INS. & REAL EST.	8,014	61,953,949,746	832,103,391	822,701,152	77,826,607
SERVICES	14,912	75,854,485,827	325,037,618	456,536,192	45,086,157
UNCLASSIFIED	2,044	59,416,303,236	44,148,255	44,564,753	2,201,781
TOTAL	53,226	406,218,993,402	3,527,217,552	3,268,913,286	335,974,750

TABLE 7
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY MAJOR INDUSTRY GROUP

TAX RETURNS

MAJOR INDUSTRY GROUP	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
AGRICULTURE	854	$951,473,492	$45,977,681	$44,763,344	$4,488,475
MINING	69	512,712,956	9,490,234	9,159,322	1,860,601
CONSTRUCTION	2,368	675,749,812	101,625,968	100,807,590	10,869,113
MANUFACTURING	3,314	85,748,481,283	945,889,692	855,029,558	91,761,709
TRANS., COMM. & UTIL.	1,002	17,568,334,813	416,941,284	360,954,918	42,519,387
WHOLESALE TRADE	2,788	15,586,109,073	247,073,784	239,295,416	26,484,336
RETAIL TRADE	4,803	37,079,122,697	330,242,389	314,728,096	34,556,583
FIN., INS. & REAL EST.	5,396	53,656,666,803	739,442,688	723,876,687	77,826,607
SERVICES	7,232	57,376,060,789	480,216,654	438,835,613	45,886,157
UNCLASSIFIED	590	36,293,052,236	24,736,758	24,424,870	2,201,781
TOTAL	25,536	305,447,763,954	3,341,636,964	3,111,874,534	335,974,750

TABLE 8
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY MAJOR INDUSTRY GROUP

NO-TAX RETURNS

MAJOR INDUSTRY GROUP	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
AGRICULTURE	823	$141,000,646	$608,222	$553,491	$0
MINING	120	150,231,165	4,287,113	4,286,823	0
CONSTRUCTION	2,660	291,278,415	2,427,746	433,051	0
MANUFACTURING	2,924	32,166,825,857	14,656,081	11,759,627	0
TRANS., COMM. & UTIL.	1,066	9,092,233,850	50,701	50,240	0
WHOLESALE TRADE	2,167	656,922,713	272,321	266,609	0
RETAIL TRADE	4,178	8,373,777,821	6,385,232	3,823,104	0
FIN., INS. & REAL EST.	4,618	8,297,282,943	92,660,711	98,824,545	0
SERVICES	7,680	18,478,425,038	44,820,964	17,700,579	0
UNCLASSIFIED	1,454	23,123,251,000	19,411,497	20,140,683	0
TOTAL	27,690	100,771,229,448	185,580,588	157,838,752	0

TABLE 9
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY MAJOR INDUSTRY GROUP

MULTI-STATE RETURNS

MAJOR INDUSTRY GROUP	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
AGRICULTURE	177	$1,044,800,299	$11,943,771	$10,969,331	$1,200,314
MINING	118	618,376,023	12,052,070	11,772,045	886,641
CONSTRUCTION	1,184	873,490,112	34,049,670	31,476,312	3,465,550
MANUFACTURING	3,617	117,464,433,096	901,313,450	808,616,163	86,038,310
TRANS., COMM. & UTIL.	874	26,585,984,960	363,158,591	308,280,575	36,762,850
WHOLESALE TRADE	2,064	16,875,697,921	190,866,444	183,821,243	21,026,680
RETAIL TRADE	1,433	45,255,201,066	217,269,561	201,874,862	23,234,095
FIN., INS. & REAL EST.	2,909	60,670,500,630	623,907,654	623,307,027	55,858,792
SERVICES	3,322	75,302,569,142	363,007,665	324,576,862	33,322,220
UNCLASSIFIED	1,165	59,389,076,103	41,318,578	41,749,258	1,947,301
TOTAL	16,863	403,280,129,352	2,758,887,454	2,545,642,878	263,742,752

TABLE 10
1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
BY MAJOR INDUSTRY GROUP

100% MINNESOTA RETURNS

MAJOR INDUSTRY GROUP	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
AGRICULTURE	1,500	$47,673,839	$34,642,132	$34,347,504	$3,288,161
MINING	71	44,568,098	1,725,277	1,674,188	173,959
CONSTRUCTION	3,844	93,538,115	76,884,044	68,964,329	6,603,563
MANUFACTURING	2,621	450,874,044	59,232,323	58,173,022	5,723,399
TRANS., COMM. & UTIL.	1,194	74,583,703	53,833,314	52,724,583	5,756,537
WHOLESALE TRADE	2,811	167,333,865	56,479,581	55,740,782	5,377,656
RETAIL TRADE	6,748	197,699,452	119,358,060	117,477,138	11,322,488
FIN., INS. & REAL EST.	5,185	1,283,449,116	208,195,737	199,394,125	21,967,815
SERVICES	11,590	551,916,685	162,029,953	131,959,338	11,763,938
UNCLASSIFIED	879	27,227,133	2,829,677	2,815,495	254,480
TOTAL	36,363	2,938,864,050	768,330,098	723,270,408	72,231,997

TABLE 11

1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
ALL FILERS - BY INDUSTRY CLASSIFICATION

INDUSTRY CLASSIFICATION	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
AGRICULTURE, FORESTRY AND FISHERIES					
AGRICULTURAL PRODUCTION, CROPS & LIVESTOCK	1,175	$657,273,438	$37,443,694	$36,341,018	$3,667,078
AGRICULTURAL SERVICES, FORESTRY, FISHING, HUNTING & TRAPPING	502	435,200,700	9,142,289	8,975,817	821,397
MAJOR GROUP SUBTOTAL	1,677	1,092,474,138	46,585,983	45,316,835	4,488,475
MINING					
METAL & COAL MINING	41	14,885,304	1,350,620	1,176,087	139,397
OIL & GAS EXTRACTION	63	270,496,486	1,299,174	971,199	132,785
NONMETALLIC MINERALS	85	377,562,331	11,127,553	11,093,226	788,419
MAJOR GROUP SUBTOTAL	189	662,944,121	13,777,347	13,240,512	1,060,601
CONSTRUCTION					
BUILDING CONSTRUCTION	1,979	288,838,774	39,491,340	38,792,955	3,946,008
HIGHWAY, STREET & OTHER HEAVY CONSTRUCTION	422	258,347,779	14,788,396	13,443,509	1,440,777
SPECIAL TRADE CONTRACTORS	2,627	419,849,672	49,773,978	48,195,847	4,682,327
MAJOR GROUP SUBTOTAL	5,028	967,026,227	104,053,714	100,432,311	10,069,113
MANUFACTURING					
FOOD & KINDRED PRODUCTS	700	16,081,375,980	156,993,315	146,090,893	16,950,133
TOBACCO PRODUCTS	6	1,585,857,913	8,392,326	7,437,463	892,447
TEXTILE MILL PRODUCTS	25	66,385,008	2,179,419	2,082,706	244,457
APPAREL & OTHER FABRICATED TEXTILE PRODUCTS	115	418,549,567	2,447,752	2,341,852	245,848
LUMBER & WOOD PRODUCTS, EXCEPT FURNITURE	245	316,173,682	51,879,390	49,434,806	5,608,719
FURNITURE & FIXTURES	125	630,440,353	9,455,898	9,101,050	1,039,537
PAPER & ALLIED PRODUCTS	92	1,260,908,863	39,621,331	38,473,311	4,483,730
PRINTING, PUBLISHING & ALLIED INDUSTRIES	764	5,540,912,032	115,814,310	105,355,030	12,203,057
CHEMICALS & ALLIED PRODUCTS	346	18,716,990,752	68,584,556	55,550,662	5,672,234
PETROLEUM REFINING & RELATED INDUSTRIES	50	43,015,809,552	10,207,317	9,288,024	990,603
RUBBER & MISCELLANEOUS PLASTIC PRODUCTS	228	1,150,200,844	16,138,272	15,356,481	1,486,606
LEATHER & LEATHER PRODUCTS	29	154,278,238	4,729,464	4,384,181	520,364
STONE, CLAY, GLASS & CONCRETE PRODUCTS	254	1,145,909,161	29,492,253	28,135,513	3,247,740
PRIMARY METAL INDUSTRIES	102	551,252,294	6,622,521	6,299,284	713,820
FABRICATED METAL PRODUCTS, EXCEPT MACHINERY & TRANSPORTATION EQUIPMENT	1,101	1,620,722,961	81,856,264	79,251,121	8,738,148
MACHINERY, EXCEPT ELECTRICAL	590	2,522,886,184	50,556,585	42,053,669	3,618,436
ELECTRICAL MACHINERY, EQUIPMENT & SUPPLIES	601	10,812,363,091	56,507,266	53,699,791	5,338,590
TRANSPORTATION EQUIPMENT	95	5,734,242,147	51,490,829	45,815,125	5,446,009
PROFESSIONAL, SCIENTIFIC & CONTROLLING INSTRUMENTS, PHOTOGRAPHIC EQUIPMENT & CLOCKS	227	3,491,956,912	23,773,240	21,031,459	2,191,322
MISC. MANUFACTURING	543	3,098,091,606	174,603,465	145,621,848	12,130,707
MAJOR GROUP SUBTOTAL	6,238	117,915,307,140	960,545,773	866,714,269	91,761,709
TRANSPORTATION, COMMUNICATION, & UTILITIES					
RAILROAD TRANSPORTATION, TERMINALS & RELATED SERVICES	13	1,257,386,494	15,164,483	12,962,730	1,552,557
LOCAL & INTERURBAN PASSENGER TRANSIT	95	4,121,693	3,220,275	2,779,316	270,697
TRUCKING & WAREHOUSING	873	1,848,416,154	17,185,759	16,849,779	1,772,858
WATER TRANSPORTATION	47	243,203,546	739,651	706,858	80,000
AIR TRANSPORTATION	108	1,294,492,580	9,911,589	9,622,190	1,130,301
PIPE LINES, EXCEPT NATURAL GAS	8	1,348,918,576	26,560,127	26,471,931	3,175,888
OTHER TRANSPORTATION SERVICES	407	2,619,442,320	7,923,321	7,689,255	809,786
TELEPHONE, TELEGRAPH, RADIO, TV & OTHER COMMUNICATION SERVICES	357	15,262,923,045	85,788,518	81,049,336	9,582,268
ELECTRIC, GAS & SANITARY SERVICES	160	2,781,664,255	250,498,182	202,769,855	24,145,031
MAJOR GROUP SUBTOTAL	2,068	26,660,568,663	416,991,905	360,901,250	42,519,387

TABLE 11

1986 MINNESOTA CORPORATION AND BANK EXCISE TAX
ALL FILERS - BY INDUSTRY CLASSIFICATION-CONTINUED

INDUSTRY CLASSIFICATION	NUMBER OF RETURNS	TOTAL NET INCOME	MINNESOTA NET INCOME	TAXABLE INCOME	TAX LIABILITY
WHOLESALE TRADE					
MACHINERY, EQUIPMENT & SUPPLIES	799	693,543,869	20,385,553	19,940,088	2,036,847
MOTOR VEHICLES & AUTOMOTIVE EQUIPMENT	371	3,108,680,325	21,700,925	21,501,021	2,432,296
LUMBER, CONSTRUCTION MATERIALS, FURNITURE & HOME FURNISHINGS	271	36,819,916	13,118,929	12,812,213	1,411,685
SPORTING, RECREATIONAL, PHOTOGRAPHIC, TOYS & SUPPLIES	178	53,251,496	4,311,820	4,217,459	449,316
METALS & MINERALS	65	184,599,086	4,846,915	4,721,412	537,259
ELECTRICAL GOODS	233	1,477,709,543	14,920,445	14,398,667	1,603,359
HARDWARE, PLUMBING & HEATING EQUIPMENT	185	19,887,298	7,183,154	7,106,784	781,448
OTHER DURABLE GOODS	978	1,086,572,779	39,407,624	37,750,751	4,196,407
PAPER & PAPER PRODUCTS	105	68,432,827	11,505,173	11,321,470	1,300,233
DRUGS, DRUG PROPRIETARIES, & SUNDRIES	60	884,520,076	7,184,066	6,718,125	782,040
APPAREL, PIECE GOODS & NOTIONS	140	43,193,771	2,609,080	2,537,495	268,559
GROCERIES & RELATED PRODUCTS	285	380,624,299	36,713,962	35,425,446	4,124,737
FARM PRODUCT RAW MATERIALS	255	757,924,538	16,015,613	14,148,769	1,343,729
PETROLEUM, CHEMICALS & RELATED PRODUCTS	372	6,415,994,530	24,077,821	23,979,246	2,674,290
ALCOHOLIC BEVERAGES	107	22,468,240	6,682,881	6,563,042	719,074
MISC. NONDURABLE GOODS	471	1,888,809,993	16,682,064	16,414,287	1,743,857
MAJOR GROUP SUBTOTAL	4,875	16,243,831,786	247,346,025	239,556,275	26,404,336
RETAIL TRADE					
BUILDING MATERIALS, HARDWARE, GARDEN SUPPLIES & MOBILE HOME DEALERS	894	494,189,425	28,070,472	27,341,424	2,896,253
GENERAL MERCHANDISE STORES	219	2,620,933,161	101,588,449	98,921,969	10,797,184
GROCERY & FOOD STORES	611	5,168,732,591	24,737,779	24,077,391	2,621,914
MOTOR VEHICLE DEALERS	694	1,457,367,704	35,414,775	34,752,755	3,781,103
GASOLINE STATIONS	333	3,120,924,476	10,746,152	10,569,128	1,016,154
OTHER AUTOMOTIVE DEALERS	262	7,767,330	5,376,511	5,335,929	542,467
APPAREL & ACCESSORY STORES	619	22,877,008,592	21,913,219	21,585,738	2,382,008
FURNITURE & HOME FURNISHING STORES	347	17,157,133	7,673,856	7,532,640	766,776
EATING & DRINKING PLACES	1,395	1,378,704,938	19,051,858	18,322,507	1,860,571
DRUG STORES	295	468,218,772	9,250,012	8,905,127	883,220
LIQUOR STORES	310	238,391,018	2,143,107	2,116,459	169,785
MISC. RETAIL STORES	2,202	7,603,505,378	70,661,431	67,090,133	6,809,228
MAJOR GROUP SUBTOTAL	8,181	45,452,900,518	336,627,621	318,551,200	34,556,583
FINANCE, INSURANCE AND REAL ESTATE					
BANKING & BANK HOLDING COMPANIES	1,099	13,675,555,598	318,076,809	261,317,689	35,577,186
CREDIT AGENCIES OTHER THAN BANKS	347	18,359,668,801	17,892,598	16,728,759	1,938,182
SECURITY & COMMODITY BROKERS, DEALERS, EXCHANGES & SERVICES	289	1,670,948,210	27,875,960	26,228,042	2,958,724
INSURANCE CARRIERS	814	11,048,901,265	185,692,285	197,048,201	5,758,907
INSURANCE AGENTS, BROKERS & SERVICES	982	691,339,392	29,595,286	28,671,980	3,045,940
REAL ESTATE	3,612	7,931,083,145	76,981,181	75,174,087	8,066,939
HOLDING & OTHER INVESTMENT COMPANIES	871	16,576,453,335	183,989,272	173,737,129	20,480,730
MAJOR GROUP SUBTOTAL	8,014	61,953,949,746	832,103,391	778,897,887	77,826,607
SERVICES					
HOTELS, MOTELS & OTHER LODGING PLACES	199	1,542,349,887	7,736,592	7,542,048	856,962
PERSONAL SERVICES	455	69,060,933	6,615,462	6,539,973	607,123
BUSINESS SERVICES	2,827	9,874,957,104	95,581,138	66,884,733	6,885,392
AUTOMOBILE & OTHER REPAIR SERVICES	808	1,264,555,854	12,283,841	10,981,387	1,038,733
AMUSEMENT & RECREATIONAL SERVICES	710	447,747,107	15,992,077	11,500,543	1,211,518
OTHER SERVICES	9,913	63,455,814,942	386,828,508	352,991,927	34,486,429
MAJOR GROUP SUBTOTAL	14,912	75,854,485,827	525,037,618	456,440,611	45,086,157
UNCLASSIFIED	2,044	59,416,303,236	44,148,255	44,564,753	2,201,781
TOTAL	53,226	406,218,993,402	3,527,217,552	3,224,615,903	335,974,750

Form M-4 Minnesota Corporation Income Tax Return 1985

For calendar year 1985 or fiscal year beginning _____, 1985, ending _____, 19____

Use your label. If no label, print or type.

Name of corporation				Minnesota identification number	Federal identification number
Street address				Are you filing this return as a member of a unitary group? ☐ Yes ☐ No	Date of incorporation
City or post office	County	State	Zip code	Did you apply for an extension of time to file this return? ☐ Yes ☐ No	Under laws of what state?
Address of principal office in Minnesota	City	County	Zip code	Fill in former name or address if changed since 1984 return.	

A copy of the federal income tax return including schedules must be attached. Corporations filing consolidated federal returns, read instructions.

1	Taxable income before net operating loss deduction and special deductions (line 28, federal Form 1120 or line 24, Form 1120-A)		1
2	Contributions		2
3	Minnesota and other states' income tax		3
4	Interest exempt from federal income tax		4
5	Accelerated cost recovery system adjustment		5
6	Income received from controlled foreign corporations under Subpart F		6
7	Other additions (attach schedule)		7
8	Total (add lines 1 through 7)		8
9	60% capital gain deduction	9	
10	Foreign dividend gross-up	10	
11	Subpart F income deemed	11	
12	Deduction due to prior ACRS modifications (attach schedule)	12	
13	Other deductions (attach schedule)	13	
14	Total deductions (add lines 9 through 13)		14
15	Net income (loss) before net operating loss deduction (subtract line 14 from line 8)		15
16	Net operating loss deduction		16
17	Taxable net income (subtract line 16 from line 15, or from Schedule A, C, D or M-4C if income is apportioned)		17
18	Dividend received deduction (column 7, Schedule B, page 2)	18	
19	Foreign source income deduction (attach Schedule FS)	19	
20	Total (add lines 18 and 19)		20
21	Adjusted taxable net income (subtract line 20 from line 17)		21
22	Contributions deduction (attach schedule)		22
23	Balance subject to tax (subtract line 22 from line 21)		23
24	**Income tax** (line 64, Schedule E, page 2)		24
25	Small business investment credits (attach Schedule SB)	25	
26	Research and development credit (attach Schedule RD)	26	
27	Total (add lines 25 and 26)		27
28	**Total liability** (subtract line 27 from line 24). If 27 is greater than 24, fill in "none"		28
29	Enterprise zone credit (attach schedule EPC)	29	
30	1985 estimated tax payments and credits	30	
31	Extension payment	31	
32	Total (add lines 29 through 31)		32
33	If line 28 is greater than line 32, subtract line 32 from line 28 and fill in **Balance of Tax Due**. If line 28 is greater than the total of lines 29 and 30, complete and attach form M-429C.		33
34	Additional charge for underpayment of estimated tax. Check if form M-429C is attached ☐		34
35	**Total Balance Due** (add lines 33 and 34) (Make your check payable to: Commissioner of Revenue)		35
36	If line 32 is greater than the total of lines 28 and 34, fill in **Overpayment**		36
37	Amount of line 36 you want: **Credited to 1986 estimated tax** _____ **Refunded**		37

Officer — I declare that this return is correct and complete to the best of my knowledge and belief. I confess judgement to the State of Minnesota for the amount of tax shown due, to the extent not timely paid.
Preparer — This return is correct and complete to the best of my knowledge and belief.

Sign Here Signature of officer _____ Title _____ Date _____ ( ) Telephone number

Signature of preparer _____ Minn. I.D. or soc. sec. no. _____ Date _____ ( ) Telephone number

If you do not need forms and instructions mailed to you next year, check this box ☐

Mail to: Minn. Corporation Income Tax
P.O. Box 64454
St. Paul, Minnesota 55164

Schedule A — Net Income Apportionable to Minnesota

Complete only if net income is from sources both in and outside Minnesota.
Corporations which are members of a unitary group must complete Schedules M-4C and M-5C.

38	Net income (loss) before net operating loss deduction (line 15, page 1)	38
39	Total non-apportionable net income (income from property not used in your business or farm income) (attach schedule)	39
40	Apportionable business income (subtract line 39 from line 38)	40

Business Income Apportionment Formula Tangible Property Owned or Used Exclusive of property yielding income reported in lines 39 and 51		A Within Minnesota	B Total	C Ratio of Within Minn. to Total	D Weight Accorded Factors	E Weighted % (multiply col. C by col. D)
41	Average tangible property owned (at original cost)	41				
42	Rents paid (capitalized) Gross rents x 8	42				
43	Total property owned or used (add lines 41 and 42)	43		%	15%	%
44	Total payroll including compensation of officers	44		%	15%	%
45	Sales, gross earnings or receipts (whichever applicable)	45		%	70%	%
46	Total (add percentages on lines 43, 44 and 45, column C)	46		%		
47	Arithmetic average (divide total on line 46, column C by 3)	47		%		
48	Weighted ratio (add percentages on lines 43, 44 and 45, column E)	48				%

49	Apportionment percentage (lesser of column C, line 47 or column E, line 48)	49 %
50	Income apportioned to Minnesota (multiply line 40 by line 49)	50
51	Minnesota non-apportionable net income (income from property not used in your business or Minnesota farm income) (attach schedule)	51
52	Net income before net operating loss deduction (add lines 50 and 51)	52
53	Net operating loss deduction	53
54	Taxable net income per Minnesota return (subtract line 53 from line 52). Fill in on line 17, page 1	54

Schedule B — Domestic Dividend Received Deduction

Do not fill in column 6 unless 80% or more of the voting stock of the corporation paying dividends is held by the taxpayer.

(1) Name of corporation	(2) Dividend received	(3) % from line 49 above. Unitary corporations use % from line 18, Schedule M-4C	(4) Multiply column 2 by column 3	(5) 85% dividend deduction	(6) 15% dividend deduction (attach computation)	(7) Dividend deduction to page 1, line 18
		%				
		%				
		%				
		%				
		%				
Total		%				

Schedule E — Computation of Corporate Income Tax

If you do not apportion income, fill in 100% on line 57. Members of a unitary group, read instructions.

55	Fill in the amount from line 52 above	55
56	Fill in the amount from line 38 above	56
57	Divide line 55 by line 56	57 %
58	Multiply $25,000 by the percentage on line 57	58
59	Fill in the amount from line 23, page 1	59
60	Fill in the amount from line 58 or 59, whichever is less	60
61	Balance (subtract line 60 from line 59)	61
62	Tax on line 60 (multiply line 60 by 6%)	62
63	Tax on line 61 (multiply line 61 by 12%)	63
64	Income tax (add lines 62 and 63). Fill in on line 24, page 1	64

Additional Information Required

If first return, check whether ☐ New business ☐ Successor to existing business ☐ Business entering Minnesota

If final return, check whether ☐ Merged or reorganized ☐ Withdrawn ☐ Dissolved

Does corporation own over 50% of another corporation? ☐ Yes ☐ No

Does another corporation own over 50% of this corporation? ☐ Yes ☐ No

Is corporation part of a brother-sister group? ☐ Yes ☐ No

Has the IRS made adjustments to federal income tax return(s) in the past five years which have not been reported to Minnesota? ☐ Yes ☐ No If yes, read instructions

If accounting period changed since last return, fill in prior period.

Did the corporation withhold Minnesota income taxes from employees and send in required reports during the year 1985? ☐ Yes ☐ No

Did the corporation file Minnesota Information Return Summary, Form M-10, and federal Form(s) 1099 for the year 1985? ☐ Yes ☐ No ☐ N/A